

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4
5 By: Senator D. Wallace
6

A Bill

SENATE BILL 356

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW GOVERNING THE INCOME TAX
9 CREDIT FOR WASTE REDUCTION, REUSE, OR RECYCLING
10 EQUIPMENT; TO AMEND THE DEFINITION OF “QUALIFIED
11 SPECIALTY STEEL PRODUCTS MANUFACTURING FACILITY”; AND
12 FOR OTHER PURPOSES.

Subtitle

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16 TO AMEND THE LAW GOVERNING THE INCOME TAX
17 CREDIT FOR WASTE REDUCTION, REUSE, OR
18 RECYCLING EQUIPMENT; AND TO AMEND THE
19 DEFINITION OF “QUALIFIED SPECIALTY STEEL
20 PRODUCTS MANUFACTURING FACILITY”.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 26-51-506(b)(11), concerning the
26 definitions used for the income tax credit for waste reduction, reuse, or
27 recycling equipment, is amended to read as follows:

28 (11) “Qualified steel specialty products manufacturing facility”
29 means a facility:

30 (A) For which the taxpayer commenced construction on or
31 after January 1, ~~2017~~ 2021;

32 (B) That is located in Arkansas;

33 (C) That melts scrap steel in an electric arc or similar
34 furnace to produce one (1) or more specialty steel products, including
35 without limitation billets, structural shapes, reinforcing bars, coiled
36 reinforcing bars, wire rods, and merchant bars;



1 (D) In which the taxpayer has a total investment in excess
2 of two hundred million dollars (\$200,000,000);

3 (E) That is undertaken by a taxpayer that has entered into
4 an agreement with the State of Arkansas in which the taxpayer made a
5 commitment to create at least one hundred fifty (150) net new direct
6 positions and independent direct positions as those terms are defined in Acts
7 2013, No. 1084, § 8, with an average annual wage of at least seventy-five
8 thousand dollars (\$75,000);

9 (F) That provides a positive cost-benefit analysis to the
10 state as determined by the Arkansas Economic Development Commission and the
11 Office of Economic Analysis and Tax Research before an incentive agreement
12 between the state and the taxpayer is executed;

13 (G) That is certified as having a closing date before July
14 1, ~~2018~~ 2023, by which the taxpayer has certified and the state has verified
15 that necessary capital acquisition and borrowing for the qualified steel
16 specialty products manufacturing facility has occurred to:

- 17 (i) Secure a site;
- 18 (ii) Obtain engineering services;
- 19 (iii) Purchase equipment; and
- 20 (iv) Commence initial construction; and

21 (H) That is undertaken by a taxpayer that has elected by
22 agreement with the State of Arkansas for the facility to be classified as a
23 qualified steel specialty products manufacturing facility under this section;
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25 SECTION 2. Arkansas Code § 26-51-506(c)(3)(D)(iii)(c), concerning tax
26 credits in the possession and control of a public retirement system in
27 connection with the tax credit for waste reduction, reuse, or recycling
28 equipment, is amended to read as follows:

29 (c) No more than the following amounts of the
30 tax credits in possession and control of the public retirement system with
31 respect to a ~~qualified expansion project~~ qualified steel specialty products
32 manufacturing facility pursuant to subdivision (c)(3)(D)(i) of this section
33 may be sold or transferred each year:

34 (1) For a total investment in the
35 qualified steel specialty products manufacturing facility of at least two
36 hundred million dollars (\$200,000,000) but less than two hundred seventy-five

1 million dollars (\$275,000,000), four million dollars (\$4,000,000);

2 (2) For a total investment in the
3 qualified steel specialty products manufacturing facility of at least two
4 hundred seventy-five million dollars (\$275,000,000) but less than three
5 hundred fifty million dollars (\$350,000,000), five million dollars
6 (\$5,000,000); and

7 (3) For a total investment in the
8 qualified steel specialty products manufacturing facility of at least three
9 hundred fifty million dollars (\$350,000,000), six million five hundred
10 thousand dollars (\$6,500,000).

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12 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
13 for tax years beginning on or after January 1, 2021.

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